

UTILITY ADVISORY BOARD

Thursday, September 17, 2015

8:00 a.m.

**Grand Rapids Wastewater Treatment Plant - Ottatorium
1300 Market Avenue, SW**

AGENDA

1. Approval of Minutes – August 20, 2015 (attached)
2. Public Comment on Agenda Items
3. Comprehensive Master Plan Presentation (attached)
4. Monthly Contract Awards (August) (attached)
5. CE Business Energy Efficiency Rebate (attached)
6. Annual Adoption of Water and Sanitary Sewer Rates and Charges (attached)
7. Updates:
 - a. Steelcase Sanitary Sewer Payback Agreement
 - b. Caledonia Township
 - c. Demand Response Pilot Program at WWTP and LMFP
 - d. ACSET Amendment to Agreement
 - e. UAB Rate Review Subcommittee
 - f. 5-year Extension of Water/Sewer Agreements
(awaiting final recommendations of Rate Review Subcommittee)
8. Items from Members
9. Next Meeting – Thursday, October 15 – Where?
10. Adjournment

**Utility Advisory Board
August 20, 2015**

1. Call to Order:

The meeting was called to order by Eric DeLong, at 8:00 a.m. at Grand Rapids Water Office, 1900 Oak Industrial Drive NE.

2. Attendance:

Members Attending:

Tim Bradshaw
Eric DeLong
George Haga
Doug LaFave
Mike Lunn
Pam Ritsema
Ed Robinette
Chuck Schroeder
Breese Stam (alternate)
Ben Swayze
Joellen Thompson

Others Attending:

John Allen
Jenessa Carter
Molly Eastman
Nancy Meyer
Nicole Pasch

Members Absent:

Mark DeClercq
Mike DeVries
Wayne Jernberg
Richard Robertson
Darrell Schmalzel
Toby VanEss
Josh Westgate

3. Approval of Minutes:

Motion 15-16: Ed Robinette, supported by Tim Bradshaw, moved approval of the minutes of the July 16, 2015, Utility Advisory Board meeting as presented. Motion carried.

4. Public Comment: There was no public comment.

5. Cascade/Ada USD Adjustments

Eric DeLong indicated that a joint request from Cascade and Ada Townships was included in the meeting materials. This is basically just an exchange of a small area to help a development. Staff have reviewed the request and find it to be within the requirements of the agreement.

Ben Swayze indicated that there are also two properties that are under this arrangement to resolve an outstanding issue that was brought to the UAB previously, but the map, etc., was never updated.

Motion 15-17: Ed Robinette, supported by Doug LaFave, moved to approved the USD adjustment as presented at today's meeting. Motion carried.

6. Draft NPDES Permit for the Wastewater System

Mike Lunn reported that we received the draft permit back in July and have provided our comments. The state is focused on other issues at present so the process has been slowed somewhat.

He noted that there are a couple of significant changes in the new permit. The entire CSO portion of the permit is gone now. It now focuses more on SSOs. They felt our footing drain program and some other programs in association with our asset management planning would be acceptable. There are some other small changes throughout.

Eric DeLong asked if there were parameter changes we need to be concerned about. Mike Lunn indicated that there are a couple of small changes but nothing that will be a problem for us.

Eric DeLong asked if they have accepted our loading capacity. Mr. Lunn indicated that they have accepted this in another process. That is not in the permit.

Eric DeLong asked when it will go out for public notice. Mr. Lunn said the state needs to get back to us on the couple of changes we have requested first, and we don't know when that might happen.

George Haga asked if this will require any changes to our ordinances down the road. Mr. Lunn indicated that it might, but he doesn't know for sure at this time.

Ed Robinette asked what changes Mr. Lunn might see beyond this permit that might be coming in the future. Mr. Lunn said there is nothing in the long-term now that would change what we are doing. There is one bill of slight concern in Washington DC that would eliminate all CSOs and SSOs to the Great Lakes which could impact us if passed.

7. Concentrated Waste – WWTP Modeling Update

Mike Lunn reported that they are about 80% done with development of a Treatment Plant model. He referred to the graphs provided in the meeting materials. He noted that the gap between the two lines indicates the cost savings. This modeling is helping us to develop new ways to do this work every day.

Eric DeLong asked if there are other savings, and Mr. Lunn indicated that there are other savings that go along with the electrical savings but the electrical savings are the easiest to quantify.

Eric DeLong indicated that this came up in discussions regarding Founders' increase in surcharge. It was important to find a way to deal with it in a different way. Founders will save some of the cost of surcharges, and we will save some capacity in our plant and get a good treatment method. It seems to be a mutually beneficial plan.

8. Rate Study Timeline

Molly Eastman indicated that we are still at the very beginning of the process, but staff have started to submit items to her. So far it's going well. Eric DeLong asked if Ms. Eastman had talked to Attorney Dick Wendt about the ordinance. She has not yet. Mr. DeLong indicated that the City Commission asked, last year, why we do a public hearing when they can't really do anything about it anyway. Mr. Wendt has indicated that we can do it without a public hearing, but we need to start the process to make sure all the procedures and the ordinance are changed or we'll have to have the public hearing again this year.

9. Financial Reports

Molly Eastman referred members to the information provided in the meeting materials. She noted that these reports are through the end of the 12th month and there may still be some adjustments to these for year end.

WSS and SDS Financial Reports

Molly Eastman reported that water usage is down slightly. Eric DeLong said we were under revenue but we were under expenses even more and Ms. Eastman agreed. So we did much better than we thought we would

On the sewer side Ms. Eastman indicated that it's a pretty stable operation. All expenses seemed to trend to how we budgeted.

Operational Graphs

Ms. Eastman referred members to the graphs provided in the meeting materials. These graphs are through July 2015. We are pretty much on trend as we were last year. Water flow has gone down slowly over the last two years. The treated flow and pumped flow shows water is trending to use less water over the last two years. There isn't much difference in sewer. Mike Lunn noted that you don't see the differences due to rain that we used to see. Mr. DeLong agreed that it is beginning to flatten out more.

Eric DeLong then indicated that we added just under 1,000 customers in water. Ms. Eastman noted it was about 800. This is a date-to-date comparison from last year to this year. Mr. DeLong indicated that he would like to know the usage per customer. Joellen Thompson noted that she tracks the usage per meter and it is slowly going down but has leveled off recently.

Tim Bradshaw asked about depreciation and how that works since it's not a budgeted number. Eric DeLong indicated that depreciation shows up on the fund statement and is not shown in the budget. It's a deduct from net income.

Mr. Bradshaw asked if the decrease in inflow and infiltration is why we see sewer increasing while water usage is decreasing. Mr. Lunn indicated that sewer flow has gone down significantly over time due to the loss of I & I. Over the last couple of years it has leveled off more but isn't really going up.

10. Contract Awards

Breese Stam referred members to the information provided in the meeting materials and briefly reviewed the awards included. He noted the integrated and non-integrated projects and indicated that Founders has both a water and sewer component to it. The State Street and Bostwick street project also has both water and sewer components.

Tim Bradshaw asked about the \$47,000 amount for roofs. Mr. DeLong noted this is the amount allocated to water based on the square footage of roofs for water. The total to be spent is more than this.

11. Updates

Comprehensive Master Plan – Breese Stam indicated that a progress meeting was held recently and good progress is being made. There are a couple of segments that are a little behind schedule and the consultant is coming up with a plan to get us back on track with those. Their expenditures are within what we had calculated. The asset management component is 40-50% done. Members can expect a completed plan by December. At the end of October we will get a final plan that includes all of the comments we will have provided back to the consultant as the various segments were presented separately. The final document will then assemble all of various segments together into one Plan.

Ben Swayze asked about the need to talk with communities regarding future expansion plans. Mr. Stam indicated that he thought those discussions had already taken place. Possibly they met with other staff at Cascade. Mr. Swayze will ask, and if the consultants haven't talked with Cascade, he should let Mr. Stam know.

Mr. Lunn indicated that staff could bring pieces of the plan back to the UAB each month with more detail. They will begin to do that starting in September. They will prepare some slides for a 10 to 15 minute presentation.

Indian Trails Camp –Eric DeLong indicated that things are moving along here. Joellen Thompson noted that we have reviewed preliminary plans and sent comments back. They are determining if there is a need for a construction agreement or not. Ms. Thompson will check on this and get back to Eric DeLong with details.

Steelcase Sanitary Sewer – Molly Eastman indicated that they are working with Dick Wendt to draw up agreements for each community and then they will be brought forward for approval. There is no further action needed by the UAB.

Caledonia Township – Chuck Schroeder indicated they are on track to come on board this fall. Tim Bradshaw asked where the route is going. Mr. Schroeder indicated the route and noted that there is just one more area that they are working to attach.

Prima Civitas/Food Innovation District – Mr. DeLong indicated that the agreement with Prima Civitas was approved by the City Commission on Tuesday.

Butterworth Solar Project – Mr. DeLong indicated that the City Commission has approved moving forward to negotiate with the consultant. Staff are currently in negotiations to develop the PPA and expect to firm this up over the next 60 to 90 days.

Demand Response Pilot Program - Joellen Thompson indicated that we are under agreement for this, but they haven't called Water yet. Mike Lunn indicated that the WWTP has been called twice. We cut back as requested, but we didn't hit the required target one time.

ACSET Amendment to Agreement

Nicole Pasch reported that a meeting had to be rescheduled so we are still waiting for final approval by ACSET.

UAB Rate Review Subcommittee

Eric DeLong reported that a draft report was presented to the UAB last month. Once we have a better idea of the impacts of this year's rate study, the subcommittee will reconvene to complete their work and provide final recommendations to the UAB.

5-year Extension of Water/Sewer Agreements – Nancy Meyer indicated that we are just waiting for the work of the Rate Review Subcommittee to be completed. Grand Rapids Township will then consider taking action to extend the agreement. All other communities have agreed to the extension.

Information Items

Eric DeLong referred members to the information items included in the meeting materials.

12. Items from Members

Nicole Pasch reported that Govern GR volunteers worked yesterday to plant a rain garden in the Tremont area. This was a good opportunity for staff to get out in the community and work with neighbors. There was lots of news coverage as the work was completed. Mike Lunn noted that Janessa Carter and Joellen Thompson also took part in the work done at Tremont yesterday.

Chuck Schroeder indicated that they are working with Cascade on the work being done at 28th and Cascade. All is going well, and the road should be open again soon.

George Haga indicated that the Envision Ada project is going well. They are working on the water, sewer and storm sewer lines. It is moving along quite well. Members are all welcome to attend an event next Thursday which will be “Beers at the Bridge,” from 6-9 p.m. at Leonard Field.

Doug LaFave indicated that they have had a busy construction season. They are doing a lot of street work due to the passing of the millage. They should be wrapping up work next week. They are lining up more utility work to be done with future street work, and he wonders if there are ways to work together with Grand Rapids on some contracts to coordinate and save money. Eric DeLong indicated that Grand Rapids should explore this more with East Grand Rapids and maybe throughout the entire UAB as we can. Breese Stam and Doug LaFave will work on this and report next meeting.

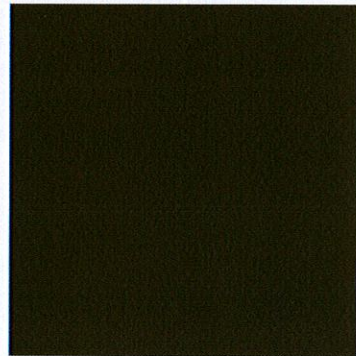
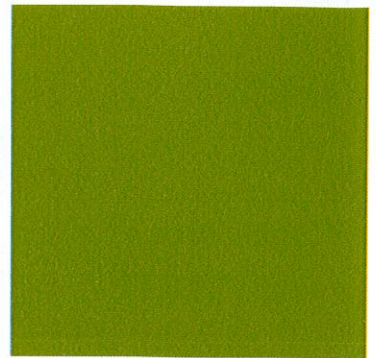
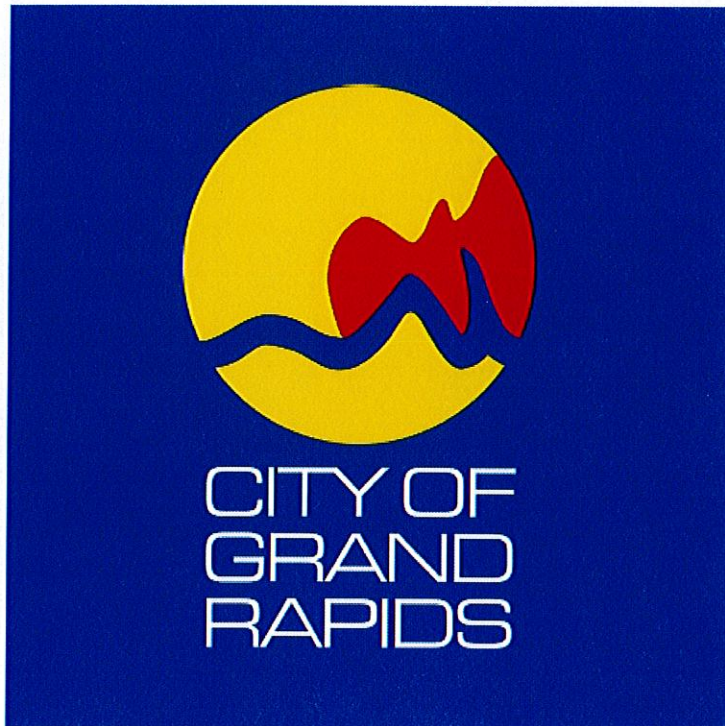
13. Next Meeting

The next meeting of the UAB is scheduled for Thursday, September 17, at 8:00 a.m. The meeting will be held at the WWTP-Ottatorium, 1300 Market SW, Grand Rapids.

16. Adjournment

The meeting was then adjourned at 9:00 a.m.

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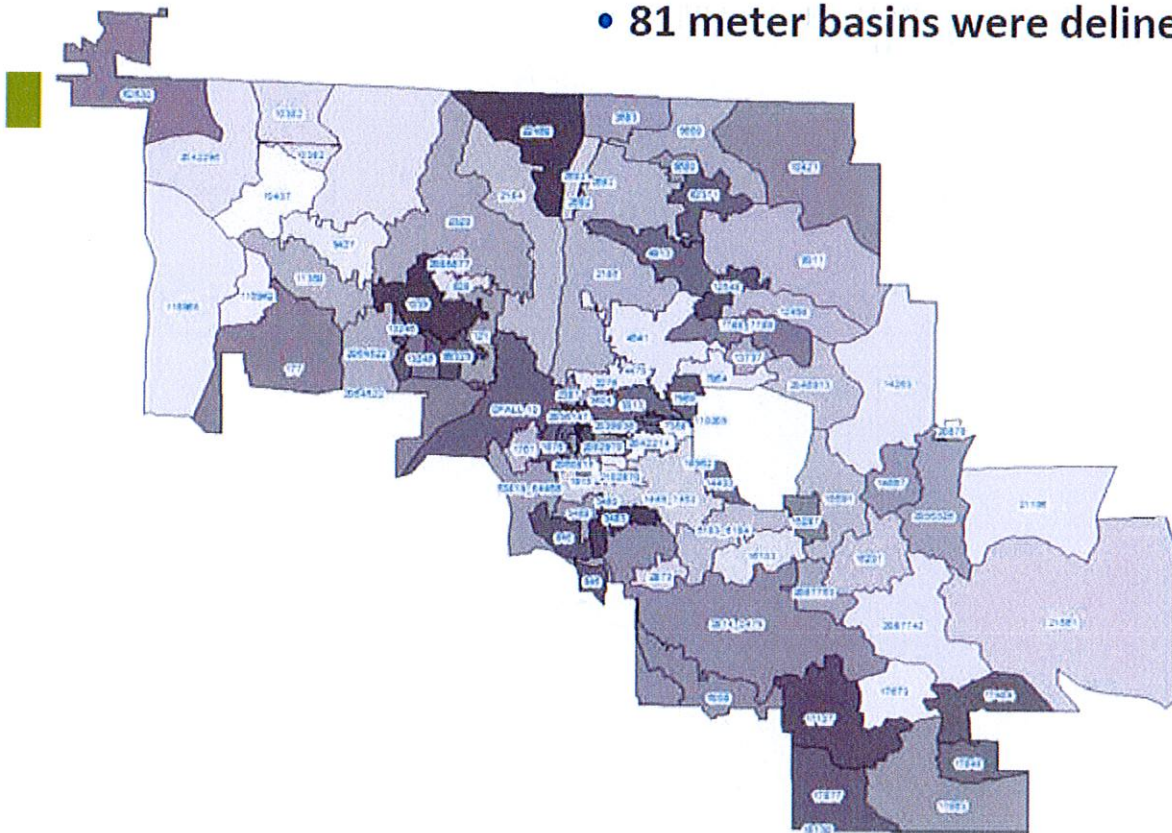
SEWER MODEL AND ENERGY DEMAND

SUBHEAD

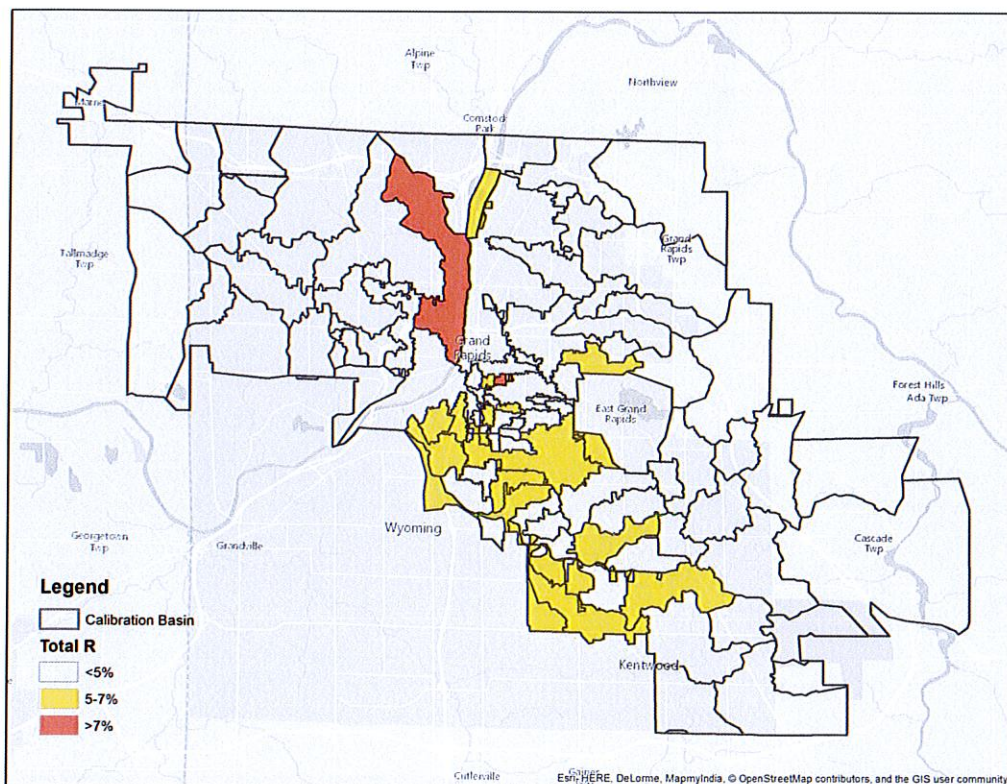
METERED BASINS



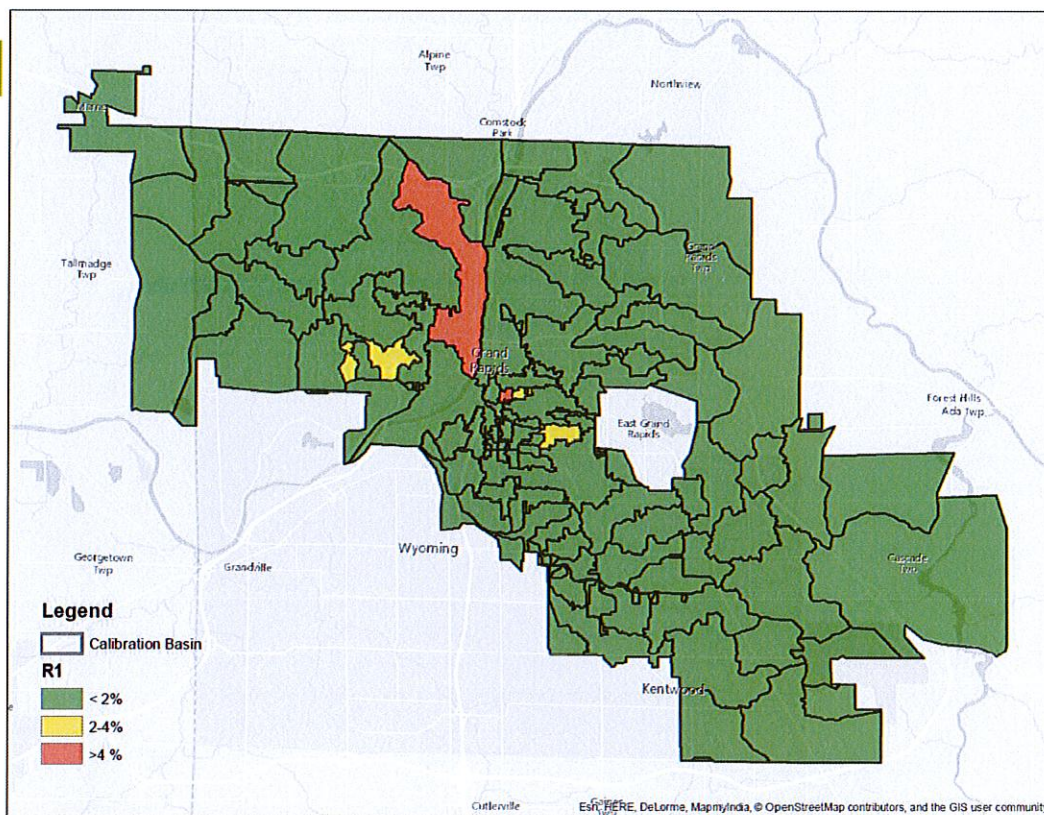
- 81 meter basins were delineated



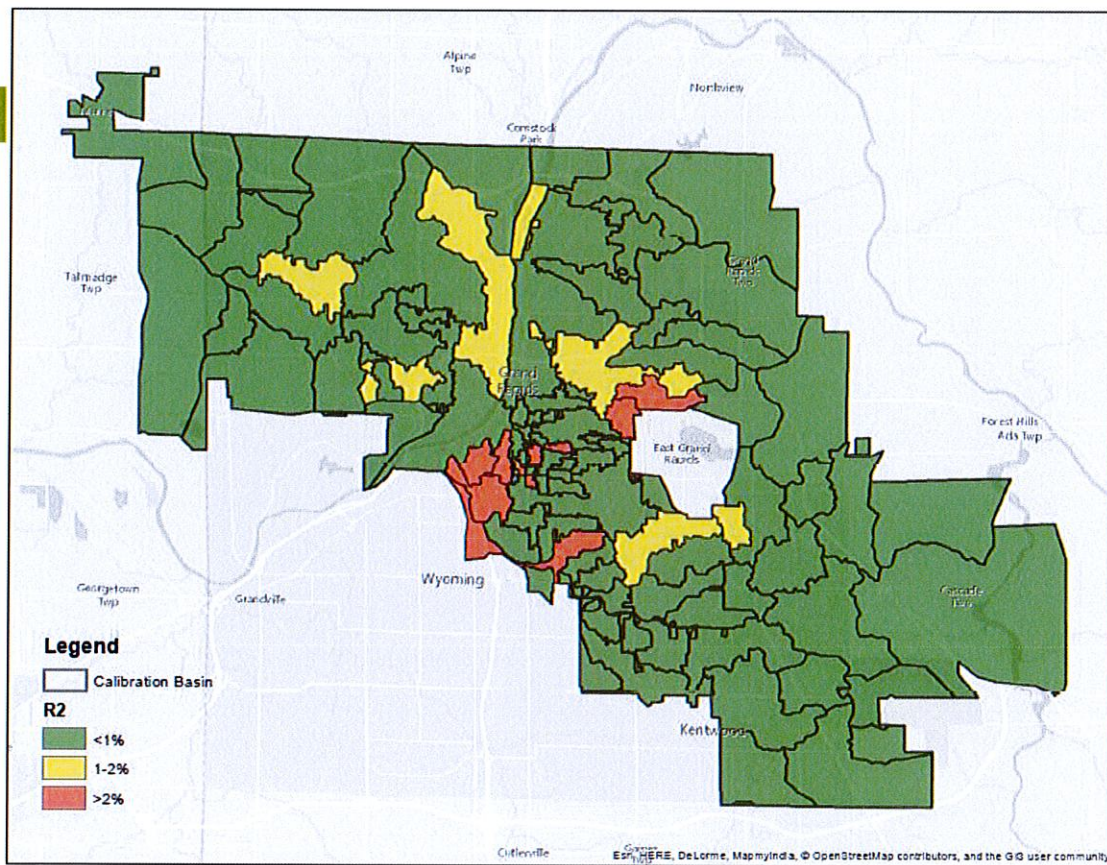
TOTAL R (I/I)



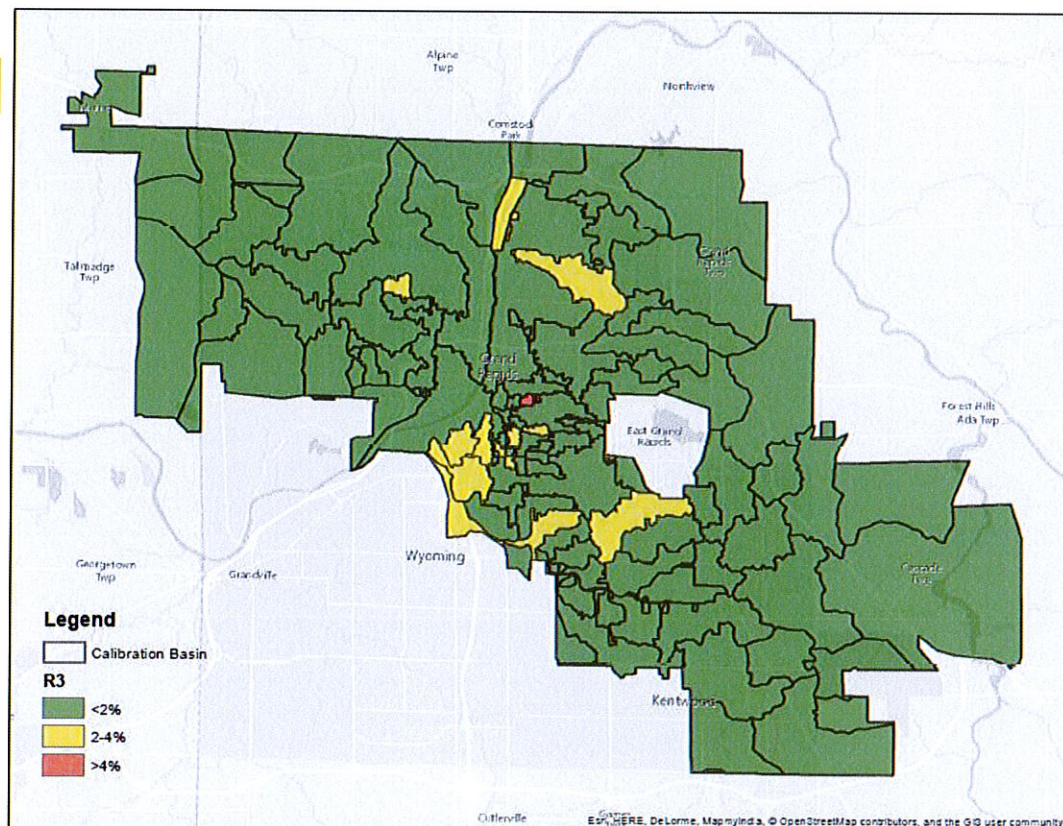
TOTAL R1 (DIRECT CATCHBASINS, ROOF DRAINS)



TOTAL R2 (LESS DIRECT – FOOTING DRAINS)



TOTAL R2 (LESS DIRECT – FOOTING DRAINS)



SEWER MODEL



■ Completed

- Dry Weather Calibration
- Wet Weather Calibration
- I/I Overview

■ Next Steps

- CMP Analysis
- Sanitary Sewer Overflow

CONSUMERS ENERGY DEMAND RESPONSE

City of Grand Rapids - Wastewater Plant - Consumers - Grand Rapids - MI 100000142933 : Consumers Energy Demand Response

Past Performance Summary

Start Time	End Time	Expected kW	Delivered	Performance	Status		
Sep 2, 2015	3:00pm EDT	Sep 2, 2015	7:00pm EDT	325 kW	1,327 kW	408%	Preliminary
Aug 17, 2015	3:00pm EDT	Aug 17, 2015	7:00pm EDT	250 kW	204 kW	82%	Preliminary
Aug 14, 2015	2:00pm EDT	Aug 14, 2015	6:00pm EDT	250 kW	810 kW	324%	Preliminary

Energy Reduction Plan

To reduce your energy consumption for a Consumers Energy Demand Response dispatch:

1. EnerNOC will notify you that a dispatch has been called.
2. Confirm phone and e-mail notifications.
3. Manually shut down the following equipment by starting time of dispatch:
 - Bypass flow to storage
 - Decrease blower usage for aeration process
 - Discontinue solids de-watering process
 - Follow procedure listed in control room

****Please refrain from turning on any non-essential equipment until the dispatch is over.**

This energy reduction plan was created with Bill Kalser on 5 August 2015.

Contact Information

Contact	Phone	Mobile	Site Contact Role	Email
Mike Lunn	(616) 456-3914		Authorized to acknowledge DR Even...	mlunn@grcity.us
Bill Kalser	(616) 456-3214		Authorized to acknowledge DR Even...	wkalser@grcity.us
OMS Supervisor	(616) 456-3639	1(616) 262-5510	Authorized to acknowledge DR Even...	omasuper@grand-rapids.mi.us

Water/Sewer UAB Report
August 2015

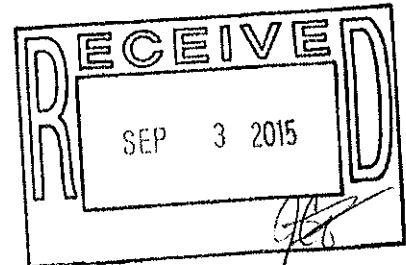
Project Name	Contractor	Award Date	Substantial Completion Date	Final Completion Date	Water Fund Authorized NTE Amt	Sewer Fund Authorized NTE Amt	Est. Year for Rates	Integrated (Y/N)
Reconstruction of College Avenue from Cottage Grove Street to Oakdale Street and Abandonment of Water Main in Paris Avenue (Vacated) from Cottage Grove Street to 270' South of Oakdale Street	Wyoming Excavators, Inc.	8/11/2015	10/16/2015	7/29/2016	\$ 379,161.00	\$ 16,048.00	2017	Non-Integrated (GR)
Reconstruction of Jefferson Avenue from Burton Street to Cottage Grove Street and Resurfacing of Jefferson Avenue from Cottage Grove Street to 200' South of Hall Street	Diversco Construction Company, Inc.	8/11/2015	Phase 1: 8/31/16 Phase 2: 7/31/16	10/31/2016	\$ 1,631,163.00	\$ 77,380.00	2017	Non-Integrated (GR)
Reconstruction of Bridge Street from Winter Avenue to Summer Avenue, Summer Avenue from Douglas Street to Bridge Street and Winter Avenue from 100' South of Bridge Street to Bridge Street	Nagel Construction, Inc	8/18/2015	Phase 1: 10/9/15 Phase 2: 11/2/15	1/29/2016	\$ 265,000.00	N/A	2017	Non-Integrated (GR)
Energy Improvements at the Lake Michigan Filtration Plant, Phase II - 2015	Honeywell International, Inc.	8/18/2015	5/2/2016	7/5/2016	\$ 3,237,000.00	N/A	2017	Integrated

**HELPING MICHIGAN BUSINESSES SAVE ENERGY.
THAT'S OUR PROMISE**

Consumers Energy
Count on Us

Monday, August 03, 2015

John Allen
CITY OF GRAND RAPIDS
11209 LAKESHORE DR
GRAND HAVEN, MI 49417



RE: Incentive Payment
Consumers Energy Business Energy Efficiency Project ID# CE-14-116236
Applicant Business: CITY OF GRAND RAPIDS
Project Location: 11209 LAKESHORE DR
Project Name: Lake Michigan Low Lift Pump House Energy Project

Dear John Allen,

Congratulations! Your incentive check for participating in the Consumers Energy Business Energy Efficiency Program is enclosed. As directed, this check in the amount of \$3,001.20 has been issued to CITY OF GRAND RAPIDS.

Consumers Energy would like to thank you for doing your part to help reduce energy use in Michigan. Your energy efficiency activities will not only save you energy and money, but also help Michigan's environment

If you would like additional information on programs that you may be eligible for, or would like information regarding upcoming energy efficiency programs, please contact the Consumers Energy Business Energy Efficiency Team at 1-877-607-0737 or e-mail us at ConsumersEnergyBusinessSolutions@cmsenergy.com.

Wishing you continued success,

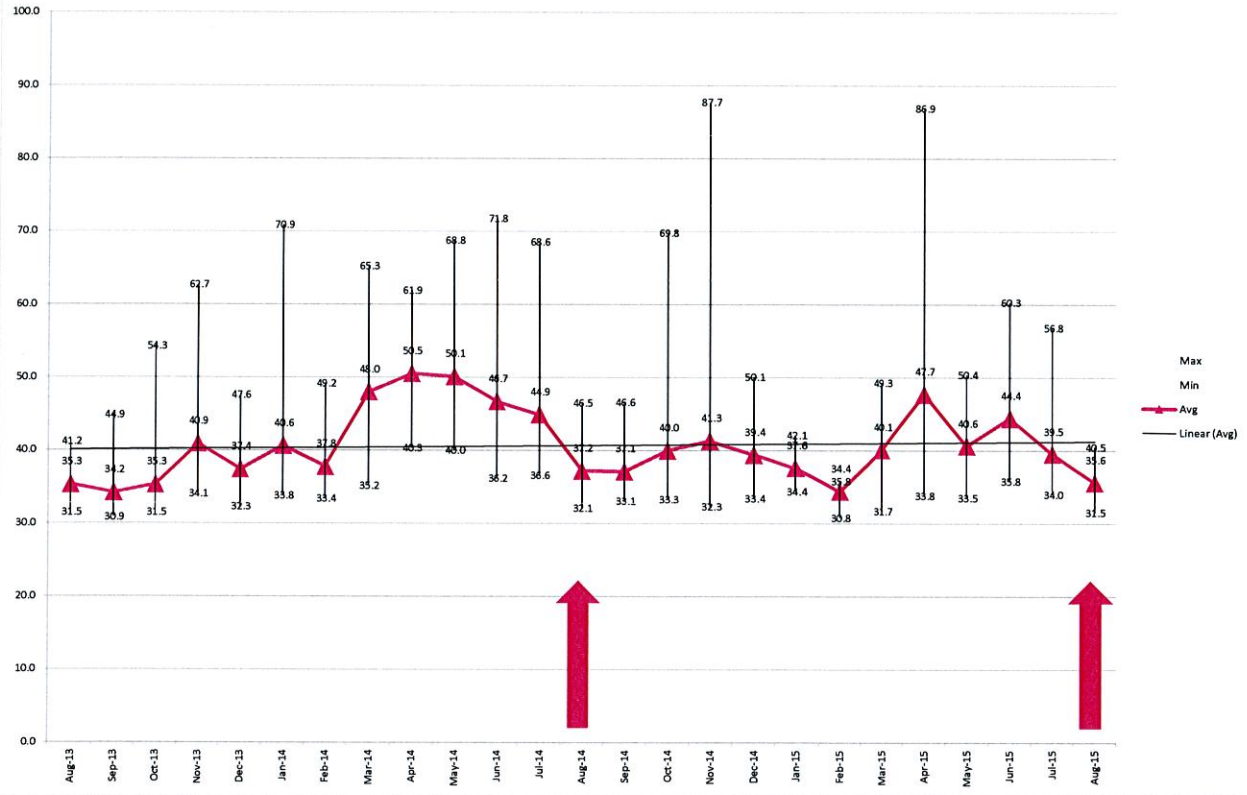
Rudy Chahine
Consumers Energy
Program Manager, Business Energy Efficiency

*Please be advised that, at the end of the year, a 1099 Form may be issued to the IRS for cumulative incentives paid during 2015 to your business. You should discuss the tax treatment of these incentives with your tax advisor.

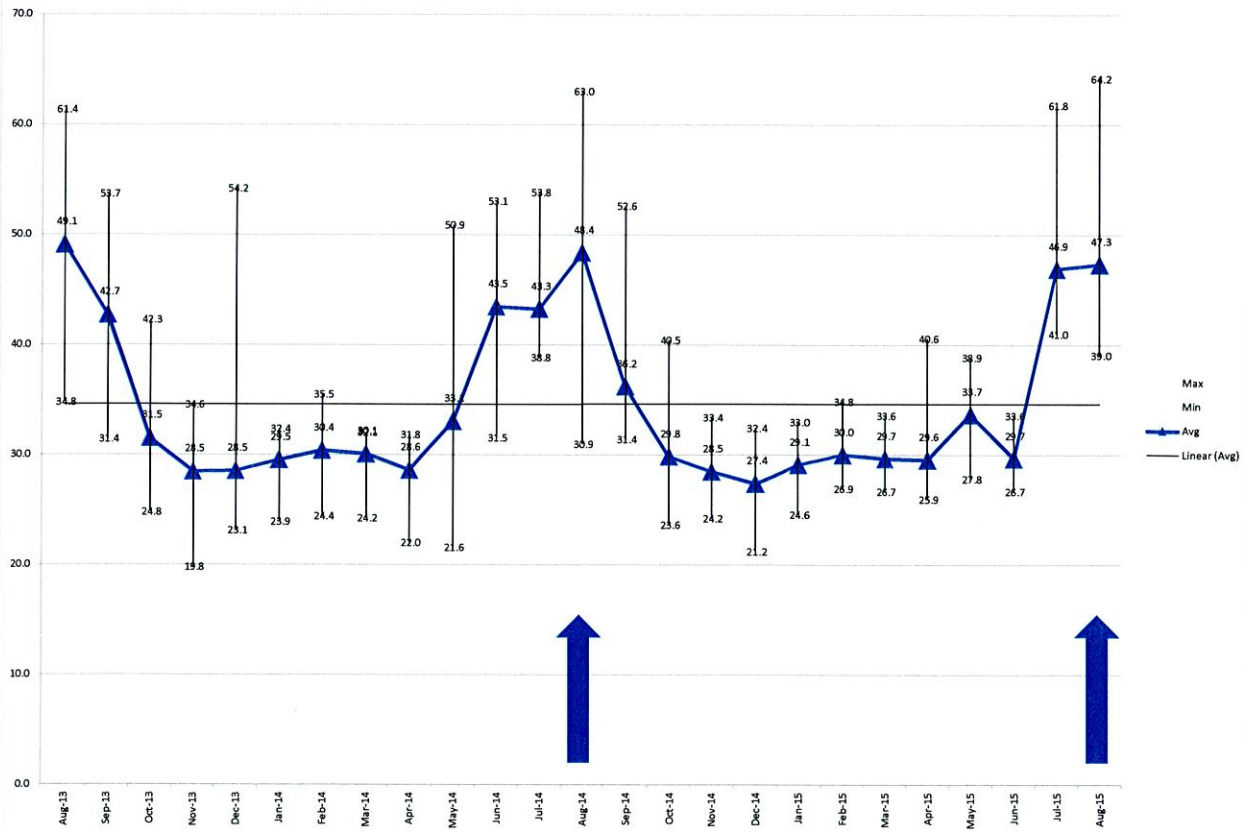
Annual Adoption of Water and Sanitary Sewer Rates and Charges for Customers within the City

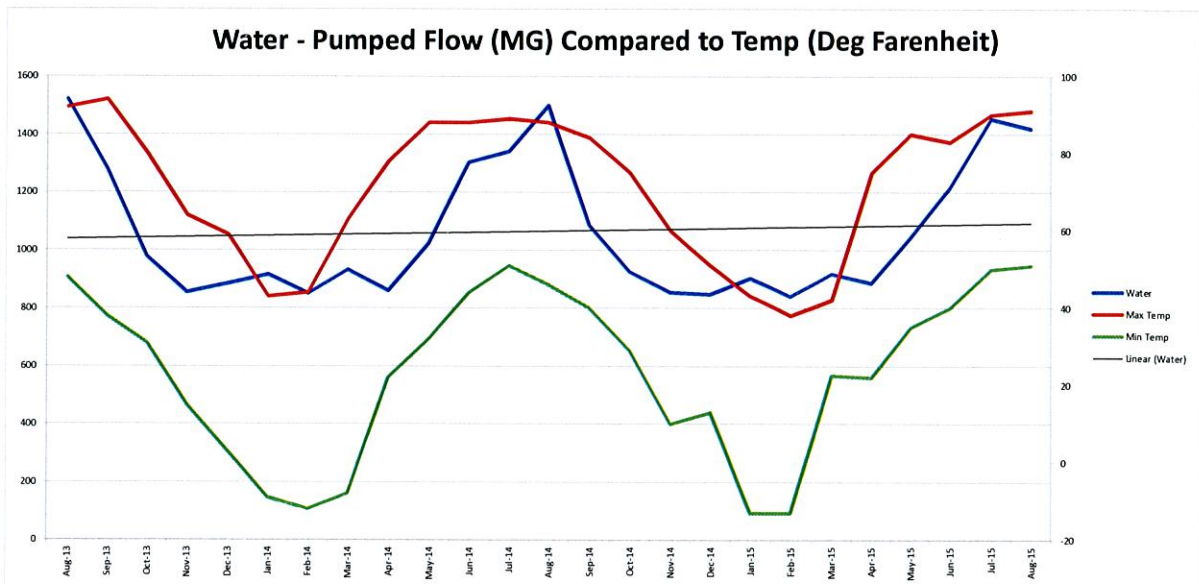
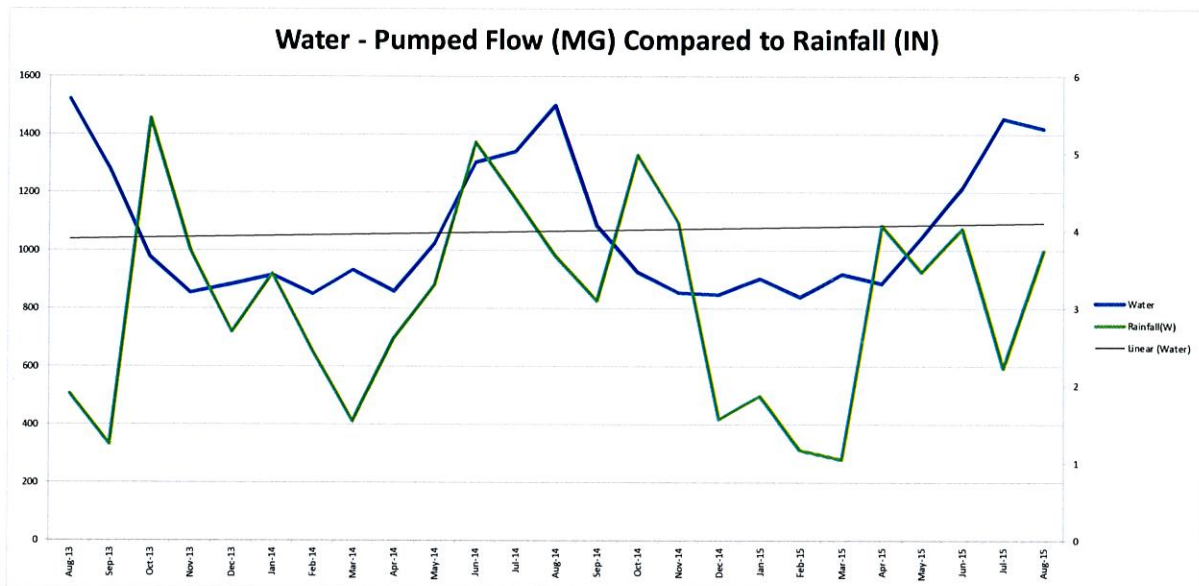
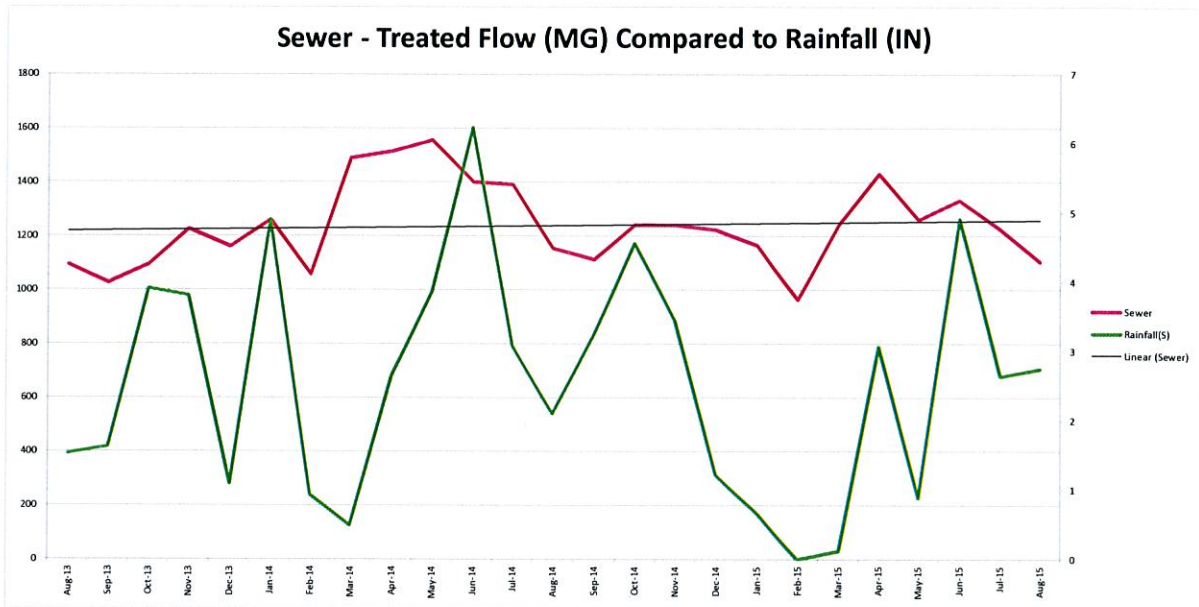
- Rates and charges for public water and sanitary sewer service for customers within the City would be adopted by resolution rather than by ordinance amendment.
- This replicates the process the City Commission follows to approve rates and charges for customers outside the City and is the process followed by many other communities.
- Our rates and charges are determined annually based on an established specifically defined rate setting methodology through a very transparent process which provides a high degree of protection to ratepayers. This would not change.
- Further protection is provided through the oversight of the Utility Advisory Board and the annual budgeting process and approval by the City Commission of the annual budgets for the Water Supply and Sanitary Sewer Systems.
- The rate setting methodology has withstood the test of time (39 years) and meets the user charge system requirements of State law and the United States Environmental Protection Agency.
- Approval of rates and charges by resolution will eliminate the public hearing which has been held prior to adoption of ordinance amendments approving rates and charges and will be replaced with a requirement that the annual rate study be filed with the City Clerk's office at least 20 days for public review and an opportunity for public questioning and comment prior to the City Commission considering the adoption of the resolution approving rates and charges.
- Notice of filing of the rate study would be required to be published in a newspaper of general circulation in the City and posted on the City's website on or prior to the date it is filed with the City Clerk.
- To accomplish this will require ordinance amendments to both Chapter 26, City Water System, and Chapter 27, City Sewage Disposal System, of the City Code.
- Proposed ordinance amendments could be first presented to City Commission at the September 22, 2015 meeting. Need to determine whether to hold a public hearing on amendments before consideration of final adoption (not required) before remainder of schedule can be set.
- Need to complete amendment process before next annual rate study is presented in November, 2015.

Sewer - Treated Flow (MGD)

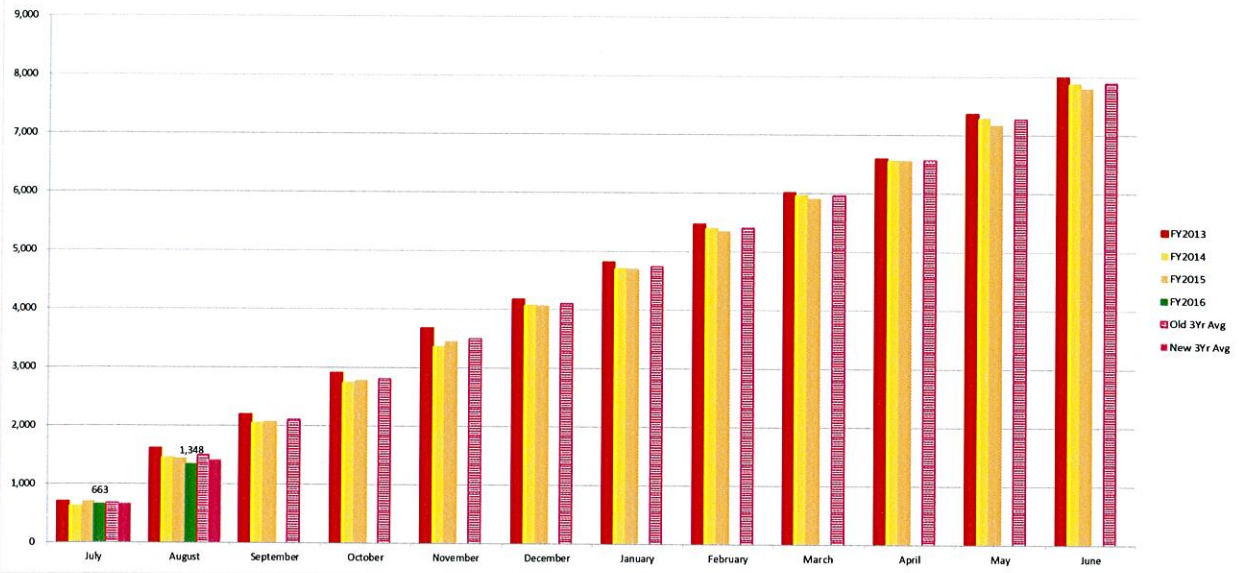


Water - Pumped Flow (MGD)





Sewer - YTD Billed Flow (MG)



Water - YTD Billed Flow (MG)

